

## ASX Announcement

ASX: AND

27 October 2022

### Correction in Quarterly Activities Report

**Ansarada Group Limited** (ASX: AND), (the **Company**) refers to the results announcement “*Quarterly Activities Report and Appendix 4C Cash Flow Report*” released to the market on 27 October 2022.

It has come to our attention that there is an error on Page 2 wherein the amounts in the Deferred Revenue section were mentioned in the wrong columns.

Amended version as attached.

This announcement was authorised for release by the Board of Ansarada Group Limited.

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#### About Ansarada (ASX:AND)

Ansarada is a SaaS Platform with products used by the world’s top companies, advisors and governments to govern their most critical information and processes in Deals and Transaction Management, Board Management, Compliance and Tenders. Ansarada enables organisations across the globe to be run more efficiently, with reduced risk and an increased ability to make fast confident decisions.

Ansarada is purpose-driven with a mission to help organisations be confident in every critical decision throughout their lifecycle so they can fully realise their potential.

For more information please visit [www.ansarada.com/investor-relations](http://www.ansarada.com/investor-relations)

## ASX:AND Ansarada Announcement - 27 October 2022

**Q1 results - Building a stronger Ansarada despite challenging M&A markets. Revenue growth 27%, Customer growth 51%, LTM cash flow positive with \$18m in cash and zero debt.**

### Quarterly Report Q1 FY23

#### Q1 Highlights

- **Lower M&A market affecting volume, progress building new recurring revenue streams in new less economically sensitive markets**
- **Record Customer Growth: +51% vs pcp**
  - Record customer<sup>1</sup> numbers of 5,632 total, up 51% year over year (YoY)
  - Subscriber<sup>2</sup> numbers ending 2,702 total, flat YoY
  - Significant growth in the ecommerce customer acquisition channel<sup>3</sup>, ending with 564 active customers up 53% YoY
  - Non-Deal customers increased to 528, up 439% YoY
- **Strong Revenue Growth, +27% vs pcp**
  - Total revenue<sup>4</sup> of \$12.9m in Q1, up 27% YoY, up 1% quarter on quarter (QoQ)
  - ARPA<sup>5</sup> up 25% YoY at \$1,292 in Q1, up 1% quarter on quarter
- **Cash flow negative in Q1. Return to cash flow positive in 2H with \$17.9m net cash to fund growth strategy**
  - Negative cash flow from operations (ADJ)<sup>6</sup> of \$0.3m in Q1, positive \$12.2m over last 12 months
  - Zero debt with cash balance of \$17.9m ending September 30, 2022
  - Disciplined investments in growth initiatives including digital channel and expanding products to serve multiple use cases
- **Positive outlook for FY23, Q2 underpinned by contracted deferred revenue and sales pipeline - resume Cash flow positive in 2H**
  - Deferred revenue contracted of \$16.4m in Q1 with the majority to be recognised over the next 12 months, coupled with sales pipeline of new customer wins provides confidence for continued financial performance
  - Continued disciplined execution of strategy to build scale in \$52bn addressable market<sup>7</sup> to drive long term sustainable growth

**Ansarada Group Limited (ASX: AND)**, a global information governance software provider, is pleased to report on its quarterly activities and cash flows for the three-month period to 30 September 2022.

Sam Riley, CEO said, “The Ansarada team have delivered good results with continued transformation and growth in Q1 FY23.

We are disciplined in managing our expenditure and our execution of strategy to build sophisticated but simple to use products for high risk and high value use cases. This is attracting and retaining our quality customer base while simultaneously building a more scalable and efficient Ansarada. Our focus is on ensuring these results generate attractive financial returns and better performance regardless of economic conditions.

Importantly, while M&A activity is lower given market conditions, we continue making solid progress accelerating the growth of our non deal related revenue streams which are less economically sensitive than M&A deals. Revenues from infrastructure and Procure (Tenders) and Governance Risk and Compliance was 16% of total revenue in the quarter compared to 7% pcp.

We have a generational opportunity to become the software of choice in our \$52bn addressable market and build scale with sustainable recurring revenues. I would like to thank the team at Ansarada for making this possible through their commitment to seeing positive change delivered for our business and most importantly our customers”

	FY22 Q1	FY23 Q1	% variance
<b>Customers</b>	<b>3,724</b>	<b>5,632</b>	<b>51%</b>
<b>Subscribers</b>	<b>2,707</b>	<b>2,702</b>	<b>0%</b>
<b>ARPA</b>	<b>1,038</b>	<b>1,292</b>	<b>25%</b>
<b>AASB revenue</b>	<b>\$10.2m</b>	<b>\$12.9m</b>	<b>27%</b>
<b>Deferred Revenue</b>	<b>\$14.5m</b>	<b>\$16.4m</b>	<b>12%</b>
<b>Cash Flow from Operations (Adj)</b>	<b>\$2.5m</b>	<b>-\$0.3m</b>	<b>-114%</b>
<b>Cash Balance</b>	<b>\$23.0m</b>	<b>\$17.9m</b>	<b>-22%</b>

## Operational Performance

The Group saw a 51% increase in pro forma customer numbers compared to Q1 FY22, with total customer numbers reaching 5,632. Subscription customers ended 2,702, consistent YoY.

New wins<sup>8</sup> in Q1 were down 11% YoY reflecting a lower volume M&A macro environment in Q1 FY23.

Our e-commerce customer acquisition channel continued to improve its key metrics from acquisition to conversion, delivering +53% customer growth YoY. With a fast payback on customer acquisition costs and a strong balance sheet, we are well placed to continue scaling in FY23.

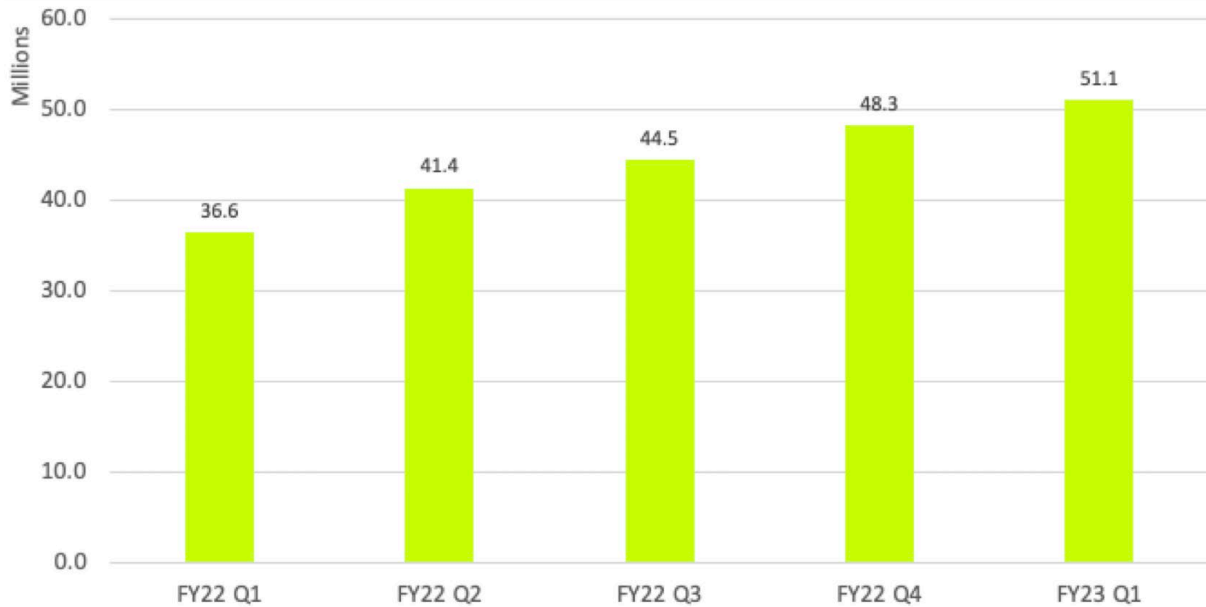
During the quarter, revenue reached \$12.9 million, up 27% YoY.

In addition to our customer growth, ARPA increased 25% YoY from \$1,038 in Q1 FY22 to \$1,292 in Q1 FY23.

Deferred revenue contracted from 30 June FY22 to \$16.4m end of Q1 FY23, but up 12% YoY, with the majority to be recognised over the following 12 months which provides confidence for continued financial performance.

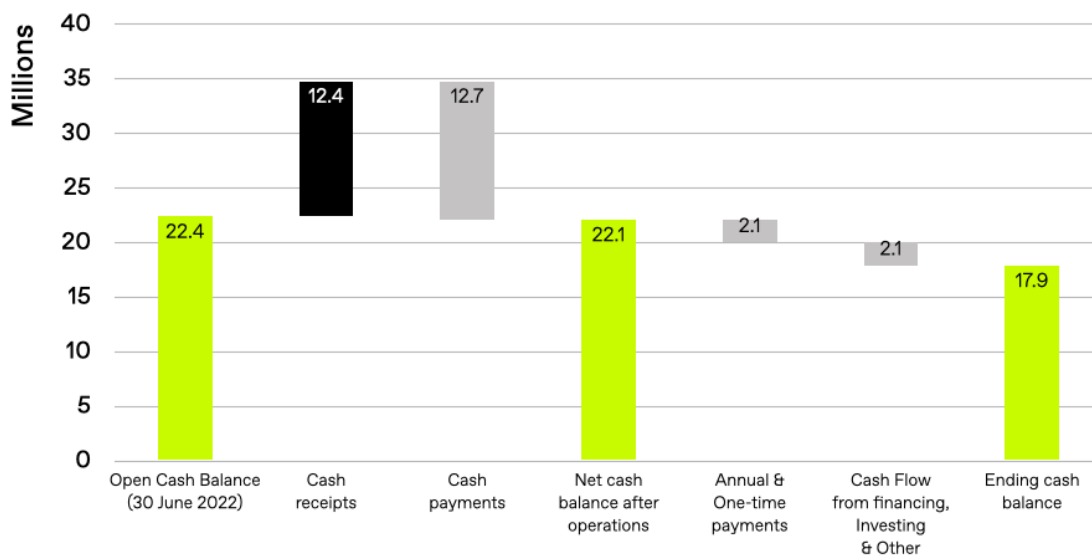
The Group continues to build revenue scale and self fund its growth. Market-leading deals, board, Procure & GRC software solutions, with attractive customer base and acquisition channels contributes to a higher quality revenue profile.

## LTM Revenue (AASB)



The Group's cash flow balance reduced to \$17.9 million as at September 30, 2022, driven by -\$2.5 million in cash flow from operations. Cash flow from operations adjusted for one-time or annual payments (\$2.1 million) was -\$0.3 million. Cash flow from operations less capex (free cash flow) was negative in Q1 at \$4.1 million.

## Q1 FY23 Cash Flow Bridge



The Group has a significant cash balance and no debt and expects to continue to self fund its growth strategy and return to generating positive cash flows in 2H FY23. Cash collections reached \$12.4 million in Q1, up 7% YoY.

## Financial Summary

During the quarter, the Group recorded cash receipts from customers of \$12.4 million, up 7% YoY.

Cash payments during the quarter were primarily directed towards staff costs (\$9.0 million), research & development (\$0.1 million), product and operating costs (\$1.5 million), advertising & marketing (\$2.4 million) along with administration & corporate costs (\$1.6 million). Net operating cash flows for the quarter was -\$2.5 million.

The Group's closing cash balance was \$17.9 million as at 30 September 2022.

The Group funded operations through operating cash flows and cash reserves and will be strategically investing in growth initiatives in line with the Group's stated objectives in the prospectus relating to capital and growth. Additionally, Ansarada remains open to pursuing strategic, technologically aligned and culturally compatible acquisitions to accelerate growth.

## Outlook - growth and return to cash flow positivity in 2H

Lower M&A market activity impacting volumes as we progress building new recurring revenue streams in new less economically sensitive markets.

We will continue our focus on efficiency, maximising digital strengths, improving conversion rates and our strong Procure pipeline as we head into the historical seasonal low holiday period (Dec & Jan).

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<sup>1</sup> Customers refers to active customers and includes consolidated customers numbers for both Ansarada NewCo Pty Ltd and Ansarada Group Limited (formerly thedocyard) including periods prior to the merger plus TriLine GRC from Q2 FY22 onwards. Active customers includes any subscription/contract with an active platform. Customers may have more than one deal platform, board portal or governance solution open at any given time. Customer numbers include customers acquired through the freemium strategy

<sup>2</sup> Subscriber refers to pro forma active subscription contracts/customers at period end. Pro forma includes consolidated subscriber numbers for both Ansarada NewCo Pty Ltd and Ansarada Group Limited (formerly thedocyard) including periods prior to the merger and TriLine from the date of acquisition.

<sup>3</sup> Ecommerce customers refers to Customers acquired through the ecommerce channel.

<sup>4</sup> Unaudited AASB Revenue. Final audited AASB revenue may vary due to year end adjustments and completion of the audit process. AASB Revenue for period ending 30 September 2022. Last twelve months (LTM) measures the accumulation of the prior 12 months AASB revenue. \$0.2 million in revenue recorded in Q1 FY23 related to a specific contract that related to a prior period in FY22.

<sup>5</sup> ARPA represents the average monthly revenue generated from customers on subscription-based contracts (includes Ecommerce channel in all periods and Triline GRC from Q2 FY22).

<sup>6</sup> Cash Flow From Operations is the amount of cash generated by the regular operating activities of a business for the specified time period. Adjusted Cash Flow From Operations ('Cashflow (ADJ)') adjusted for one time (including business combination costs and restructure payments) or costs associated with prior periods (including Short Term Incentive payments in Q1 FY23 only).

<sup>7</sup> <https://www.grandviewresearch.com/industry-analysis/enterprise-governance-risk-compliance-egrc-market>

<sup>8</sup> A win represents Ansarada closing a paying subscription/contract customer.